

G-012/M-91-4 ORDER APPROVING REQUEST

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson  
Cynthia A. Kitlinski  
Dee Knaak  
Norma McKanna  
Patrice M. Vick

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of a Request from  
Western Gas Utilities, Inc. to  
Change Its Level of Sales and  
Transportation Demand Volumes  
for the 1990-91 Heating Season

ISSUE DATE: August 2, 1991

DOCKET NO. G-012/M-91-4

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**PROCEDURAL HISTORY**

On December 31, 1990, Western Gas Utilities, Inc. (Western or the Company) filed a request to change its gas sales and transportation demand volumes for the 1990-91 heating season in the current docket (the Number 4 Docket). The Company proposed a demand volume of 4419 Mcf per day for the 1990-91 season. The proposal consisted of the following elements:

Contract Demand	10 Mcf per day
Seasonal Service	1558 Mcf per day
Winter Peaking Service	55 Mcf per day
Firm Transportation	2796 Mcf per day

Total Demand Volumes for 1990-91	4419 Mcf per day
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On January 31, 1991, the Commission issued its ORDER REQUIRING FURTHER FILINGS AND REQUIRING REFUND in In the Matter of the Petition of the Department of Public Service for an Investigation of Western Gas Utilities, Inc., Docket No. G-012/CI-89-904 (the 904 Docket). In that Order the Commission required the Company to file a report stating a projection of its demand levels and supply and transportation contracts for 1991 off-peak usage and the 1991-92 heating season. The projection report was due April 30, 1991.

On April 9, 1991, the Department of Public Service (the Department) filed its Report of Investigation and Recommendation in the Number 4 Docket. Although the Department recommended approval of the proposed changes in demand volumes, it expressed concern regarding the Company's ability to supply its customers with gas during the 1991 non-heating season and the 1991-92 heating season.

On April 26, 1991, the Company filed, among other things, its 1991-92 demand projections, pursuant to the Commission's Order in the 904 Docket. On June 3, 1991, the Department filed comments recommending approval of this part of the Company's filing.

On June 19, 1991, the Commission issued its Meeting Notice and Request for Comments in the current docket. On July 2, 1991, the Company responded with written comments.

The matter came before the Commission on July 16, 1991.

### **FINDINGS AND CONCLUSIONS**

Consideration of Western's proposed changes in demand volumes also requires consideration of the Company's demand projections in the 904 Docket. Only if the proposed demand volumes are appropriate in terms of the Company's forecasted needs will the Commission find the proposal acceptable.

In this case, the Company has proposed sales and transportation demand volumes of 4419 Mcf per day for 1990-91. The Company's estimate of its peak-day requirement for 1991-92 is 4557 Mcf per day, or 138 Mcf more than the demand volumes for which it contracted. The Company can adequately fill this gap with peak-shaving facilities that can deliver an additional 960 Mcf per day of gas into the system. Thus, the Company's forecast shows that its proposed demand volumes for 1990-91 are adequate to meet customers' needs.

The Department has indicated that Western's proposed demand volumes can enable the Company to lower its customers' overall cost of gas. The Company can lower gas costs by using firm transportation to take delivery of third party gas instead of by buying gas directly from Northern at the tariffed rate for contract demand.

Because Western's proposed demand volumes are adequate to serve its customers and can result in lower gas costs for ratepayers, the Commission will approve the Company's proposal.

### **ORDER**

1. Western's proposed demand volume changes for the 1990-91 heating season are approved.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster  
Executive Secretary

(S E A L)